

COMMONWEALTH OF KENTUCKY  
BEFORE THE ENERGY REGULATORY COMMISSION

\* \* \* \* \*

In the Matter of:

NOTICE OF ADJUSTMENT OF RATES    )  
OF WISER OIL COMPANY TO BECOME    )    CASE NO. 7957  
EFFECTIVE SEPTEMBER 29, 1980    )

O R D E R

IT IS ORDERED that Wiser Oil Company shall file with the Commission by November 16, 1980, the following information. Each copy of the data requested should be placed in a bound volume with each item tabbed, careful attention should be given to copied material to ensure that it is legible.

Staff Request No. 1

1.   a.   In comparative form, a total company income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve-month period immediately preceding the test year.
- b.   A detailed income statement (show net income) for the applicant's Kentucky gas operations for the test year.
2.   List each general office account (asset, reserve, and expense accounts) covering the twelve months of the test year.
3.   The following monthly account balances and a calculation of the average (thirteen month) account balances for the test year for total company and Kentucky gas plant operations:
  - a.   Plant in service
  - b.   Property held for future use
  - c.   Construction work in progress
  - d.   Completed construction not classified
  - e.   Depreciation reserve
  - f.   Materials and supplies (include all accounts and subaccounts)

7.
  - a. A schedule showing a comparison of the balance in the operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 5.
  - b. A schedule of total company salaries and wages for the test year and each of the five calendar years preceding the test year in the format as shown in Format 7b to this request.
8. The following tax data for the test year for total company and for Kentucky gas plant operations
  - a. Income taxes:
    - (1) Federal operating income taxes deferred - accelerated tax depreciation
    - (2) Federal operating income taxes deferred - other (explain)
    - (3) Federal income taxes - operating
    - (4) Income credits resulting from prior deferrals of Federal income taxes
    - (5) Investment tax credit net
      - (i) Investment credit realized
      - (ii) Investment credit amortized - Pre-Revenue Act of 1971
      - (iii) Investment credit amortized - Revenue Act of 1971
    - (6) Provide the information in (1) through (4) for state income taxes
    - (7) Reconciliation of book to taxable income as shown in Format 8a (7) and a calculation of the book Federal and state income tax expense for the test year using book taxable income as the starting point.

- (8) A copy of Federal and state income tax returns for the taxable year ended during the test year including supporting schedules.
- (9) The quarterly gross receipts tax returns for each quarter during the test year.
- b. An analysis of Kentucky other operating taxes in the format as shown in Format 8b to this request.
- 9. The comparative operating statistics in Format 9 to this request.
- 10. a. Provide a detailed analysis of all charges to Kentucky gas operations booked during the test period for advertising expenditures. This analysis should include a complete breakdown of account 913 - Advertising as shown in Format 10a attached, and further should show any other advertising expenditures included in any other expense subaccounts. The analysis should moreover, be specific as to the purpose of the expenditure and the expected benefit to be derived. Allocated expenses should be so identified.
- b. Provide an analysis of Account 930 - Miscellaneous General Expenses for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 10b and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, dollar amount and a brief description of each expenditure for amounts of \$500 or more.
- c. A detailed analysis of all charitable and political contributions expenses charged to gas operations during the test period. This analysis should indicate the amount of the expenditure, the recipient of the donation and the specific amount charged. Expenses allocated from the parent should be so identified.

- d. Provide an analysis of Account 426 - Other Income Deductions for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 10d, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, dollar amount and a brief description of each expenditure for amounts of \$500 or more.
11. The amount of contributions for political purposes (in cash or services) if any.
12. a. A statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, and all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, whether it be lobbying on the local, state, or national level.
- b. A schedule showing for the test year and the year preceding the test year with each year shown separately the following information regarding the applicant's investments in subsidiaries and joint ventures:
- (1) Name of subsidiary or joint venture
  - (2) Date of initial investment
  - (3) Balance sheet and income statement for the test year and the year preceding the test year. Where only internal statements are prepared, furnish copies of these.
  - (4) Show on separate schedule all dividends or income of any type received by applicant from its subsidiaries or joint ventures for each of the two (2) year report periods and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.

- (5) Name of officers of each of the subsidiaries or joint ventures, officers' annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indicate the position each officer holds with the applicant and the compensation received from the applicant.
13. Provide a detailed analysis of the retained earnings account for the test period and 12-month period immediately preceding the test period.
14. Provide the following information with regard to uncollectible accounts for the test year and five preceding calendar years (taxable year acceptable):
- a. Reserve account balance at the beginning of the year
  - b. Charges to reserve account (accounts charged off)
  - c. Credits to reserve account
  - d. Current year provision
  - e. Reserve account balance at the end of the year
  - f. Percent of provision to total revenue
15. A listing of nonutility property and property taxes and account where amounts are recorded.
16. Rates of return in Format 16 to this request.
17. Employee data in Format 17 to this request.
18. A calculation of the rate or rates used to capitalize interest during construction for the test year and the three preceding calendar years. Provide a narrative explanation of each component entering into the calculation of this rate.
19. a. Provide a listing of all issues of common stock in the primary market during the most recent fifteen (15) year period.
- (1) Date of issue
  - (2) Number of shares issued
  - (3) Date of announcement and registration

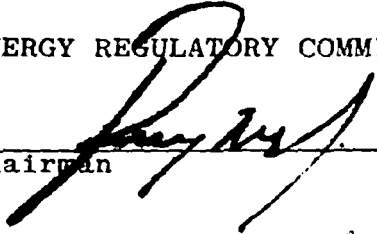
- (4) Price per share (net to company) (\$)
- (5) Book value per share at time of issue (\$)
- (6) Selling yxpenses as % of gross issue amount
- (7) Net proceeds to company

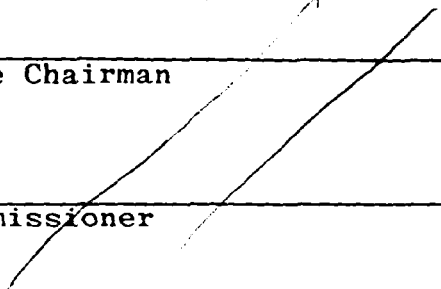
b. Provide the following information on a yearly basis for the most recent ten (10) year period available, through the latest available quarter.

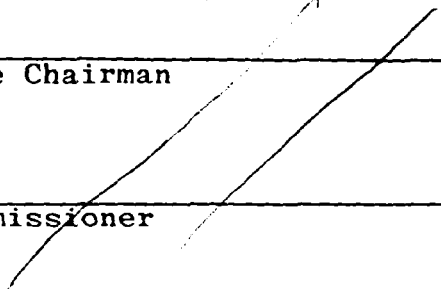
- (1) Average number of shares of common outstanding
- (2) Book value at end of year
- (3) Yearly earnings per share
- (4) Declared yearly dividend rate per share
- (5) Rate of return on average common equity
- (6) Rate of return on year-end common equity

Done at Frankfort, Kentucky, this the 29th day of October, 1980.

ENERGY REGULATORY COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

Wiser Oil Company

Case Number 7957

## SUMMARY OF CUSTOMER DEPOSITS

(Ky. Retail)

12 Months Ended June 30, 1980

<u>Line</u> <u>No.</u>	<u>Month</u> <u>(a)</u>	<u>Receipts</u> <u>(b)</u>	<u>Refunds</u> <u>(c)</u>	<u>Balance</u> <u>(d)</u>
1.	Balance beginning of test year			
2.	1st Month			
3.	2nd Month			
4.	3rd Month			
5.	4th Month			
6.	5th Month			
7.	6th Month			
8.	7th Month			
9.	8th Month			
10.	9th Month			
11.	10th Month			
12.	11th Month			
13.	12th Month			
14.	Total (L1 through L13)			
15.	Average balance (L14 $\div$ 13)			
16.	Amount of deposits received during test period			
17.	Amount of deposits refunded during test period			
18.	Number of deposits on hand end of test year			
19.	Average amount of deposit (L15, Column (d) $\div$ L18)			
20.	Interest paid during test period			
21.	Interest accrued during test period			
22.	Interest rate			

## Commonwealth of Kentucky

**Case No. 7957**

COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE PRECEDING YEAR

[illegible]



Wiser Oil Company

Case No. 7957

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1975 Through 1979

And the 12-Month Period Ending ---June 30, 1980

(000's)

Line No.	Item (a)	12 Months Ended										Test Year	
		Calendar Years Prior to Test Year											
		5th		4th		3rd		2nd		1st			
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1.	Wages charged to expense:												
2.	Power production expenses												
3.	Transmission expenses												
4.	Distribution expenses												
5.	Customer accounts expense												
6.	Sales expenses												
7.	Administrative and general expenses:												
	(a) Administrative and general salaries												
	(b) Office supplies and expense												
	(c) Administrative expense transferred-cr.												
	(d) Outside services employed												
	(e) Property insurance												
	(f) Injuries and damages												

Line No.	Item (a)	12 Months Ended									
		Calendar Years Prior to Test Year									
		5th	4th	3rd	2nd	1st	Test				
		Amount	Amount	Amount	Amount	Amount	Year				
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
			%		%		%		%		%
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
			(l)		(m)		(n)		(o)		(p)

7. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (i) Regulatory commission expense
- (j) Duplicate charges-cr.
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

8. Total administrative and general expenses L7(a) through L7 (m)

9. Total salaries and wages charged expense (L2 through L6 + L8)

10. Wages capitalized

11. Total of salaries and wages

12. Ratio of salaries and wages charged expense to total wages (L9 ÷ L11)

13. Ratio of salaries and wages capitalized to total wages (L10 ÷ L11)

NOTE: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

Wiser Oil Company

Case No. 7957

RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME

12 Months Ended June 30, 1980

Line No.	Item (a)	Total		Operating	
		Total Company (b)	Non-Operating Company (c)	Kentucky (d)	Other Jurisdictions (e)
1.	Net income per books				
2.	Add income taxes				
3.	A. Federal income tax - Current				
4.	B. Federal income tax deferred- depreciation				
5.	C. Federal income tax deferred- Other				
6.	D. Investment tax credit adjustment				
7.	E. Federal income taxes charged to other income and deductions				
8.	F. State income taxes				
9.	G. State income taxes charged to other income and deductions				
10.	Total				
11.	Flow through items:				
12.	Add (itemize)				
13.	Deduct (itemize)				
14.	Book taxable income				
15.	Difference between book taxable income and taxable income per tax return:				
16.	Add (itemize)				
17.	Deduct (itemize)				
18.	Taxable income per return				

NOTE: (1) Provide a calculation of the amounts shown on lines 3 through 7 above.

(2) Provide work papers showing the calculation of straight-line tax depreciation and accelerated tax depreciation and all other work papers in support of the calculation of Federal income tax expense.

(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Wiser Oil Company

Case Number 7957

RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME

12 Months Ended June 30, 1980

Line No.	Item (a)	Total Company (b)	Total Company Non-operating (c)	Operating Kentucky (d)	Other Jurisdictions (e)
1.	Net income per books				
2.	Add income taxes				
3.	A. Federal income tax - Current				
4.	B. Federal income tax deferred - depreciation				
5.	C. Federal income tax deferred - Other				
6.	D. Investment tax credit adjustment				
7.	E. Federal income taxes charged to other income and deductions				
8.	F. State income taxes				
9.	G. State income taxes charged to other income and deductions				
10.	Total				
11.	Flow through items:				
12.	Add (itemize)				
13.	Deduct (itemize)				
14.	Book taxable income				
15.	Difference between book taxable income and taxable income per tax return:				
16.	Add (itemize)				
17.	Deduct (itemize)				
18.	Taxable income per return				

NOTE: (1) Provide a calculation of the amounts shown on lines 8 and 9 above.  
(2) Provide work papers showing the calculation of straight-line tax depreciation and accelerated tax depreciation and all other work papers in support of the calculation of State income tax expense.

(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Wiser Oil Company  
Case No. 7957

ANALYSIS OF OTHER OPERATING TAXES

12 Months Ended June 30, 1980

(000's)

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (b)	Charged to Other Accounts (d)	Amount Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income.					
	(b) Gross receipts*					
	(c) Ad Valorem					
	(d) Payroll (employers Portion)					
	(e) Other Taxes					
2.	Total Kentucky Retail (L 1 (a) through L 1 (e))					
3.	Other Jurisdictions					
	Total per Books (L 2 and L 3)					
	* Actual payments applicable to the liability accrued for the test year should be shown in Column (f).					
1/	Explain items in this column.					

Wiser Oil Company  
Case Number 795

## Calendar Years Prior to Test Year

[illegible]

Wiser Oil Company

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KENTUCKY GAS OPERATIONS  
ACCOUNT 913 - ADVERTISING  
FOR THE TEST YEAR ENDING JUNE 30, 1980

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Rate</u> <u>Case</u> <u>(d)</u>	<u>Total</u> <u>(e)</u>
1.	Newspapers and periodicals				
2.	Booklets and pamphlets				
3.	Bill inserts				
4.	Displays, exhibits, posters, and placards				
5.	Motion pictures				
6.	Radio				
7.	Television				
8.	Salaries and wages				
9.	Other advertising				
10.	Other expenses				
11.	Total				

Wiser Oil Company

Case Number 7957

KENTUCKY GAS OPERATIONS  
SUMMARY OF ACCOUNT NO. 910 - MISC. GEN. EXPENSES  
FOR THE TEST YEAR ENDING JUNE 30, 1980

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1.	Valuations, inventories, and appraisals	
2.	Business Information System (BIS) expense	
3.	Purchase of employees service emblems	
4.	Membership fees and dues	
5.	Directors' fees and expenses	
6.	Printing Annual Report	
7.	FCC Filing and Grant Fees	
8.	Company apportioned amounts for various items	
9.	Other items (itemize)	
10.	-	
11.	-	
12.	Total	



Wiser Oil Company

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KENTUCKY COMBINED OPERATIONS  
ACCOUNT NO. 426 - OTHER INCOME DEDUCTIONS  
INCLUDED IN OPERATING EXPENSES  
FOR THE TEST YEAR ENDING JUNE 30, 1980

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
1.	Contributions (a)	
2.	Membership fees and dues (a)	
3.	Abandoned construction projects	
4.	Other (itemize)	
5.	Total	

(a) Detail attached

Wiser Oil Company:  
Commonwealth of Kentucky  
Case No. 7957

AVERAGE RATES OF RETURN  
12 Months Ended June 30, 1980

<u>Line No.</u>	<u>Calendar Years Prior to Test Year</u>	<u>Kentucky Operations</u>
	(a)	
1.	Original Cost Net Investment:	
2.	5th Year	
3.	4th Year	
4.	3rd Year	
5.	2nd Year	
6.	1st Year	
7.	Test Year	
8.	Original Cost Common Equity: (Excluding J.D.I.C.)	
9.	5th Year	
10.	4th Year	
11.	3rd Year	
12.	2nd Year	
13.	1st Year	
14.	Test Year	

NOTE: Provide work papers in support of the above calculations.

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE

NOTE:

- (1) Where an employee's wages are charged to more than one function, include employee in function receiving largest portion of total wages.
- (2) Show percent increase (decrease) of each year over the prior year on lines designated above "% Change."
- (3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.